

U.S. SMALL BUSINESS ADMINISTRATION
8(a) RULES AND REGULATIONS
13 CFR Parts 121 and 124

8(a) SMALL BUSINESS SIZE REGULATIONS
8(A) Business Development/Small Disadvantaged
Business Status Determinations

TRIBAL CONSULTATION VIDEOCONFERENCE

PUBLIC MEETING HELD AT ALUTIIQ
8619 Westwood Center Drive, Suite 150
Vienna, Virginia 22182

WEDNESDAY, JANUARY 27, 2010

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T H E P A N E L

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A T T E N D E E S*

NAME	COMPANY
AHSOAK, JOSH	Arctic Slope Regional Corp
BURETTA, SHERI	Chugach
CLOWERS, DEAN	Afognak Native Crop
COLE, GERALDINE "Jerry"	Chugach Alaska Corp
DAWSON, RUTH	Afognak Native Corp
DeVore, Jon M. Esq.	NANA/Eyak Technologies/Tatitlek
FORSLAND, KAREN	SBA
Graham, Jessica	Afognak/Alutiiq
GOODEN, CLYDE	NANA
GUY, ANDREW	Calista
HAGEN, RENEE	Chenega Corp
Hobbs, Dick	Afognak/Alutiiq
HOTCH, JANICE	Sealaska Corp.
HUETTL, AMANDA	Alutiiq
HUNT, BILLY	Ahtna, Inc.
Kramer, Harri J.	NANA
LAPHAM, ROB	National 8(a) Association
Lukin, Sarah L.	NACA

(*ATTENDEES IN UPPER CASE APPEARED VIA VIDEOCONFERENCE)
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A T T E N D E E S* (CONT'D)

NAME	COMPANY
MATTHEWS, EDNA	Afognak Native Corp
OSBORNE, MELANIE	Ahtna
PFEFFER, DESIREE	Sea Lion
Pierce, Cris	UIDA Business Services
RATHBUN, ALTONA	NTVI Federal, Inc.
Shea, Andy, Esq.	Afognak
SHIMEK, AMY	Alutiiq, LLC
SIMPSON, LOUISE	Eklutna Services, LLC
Tompkins, Robert K.	Patton Boggs, LLP
TOTEMOFF, ROY	Tatitlik
TOWNE, ROBERT	Ahtna Facility Services
Turvey, Jana M.	Afognak/Alutiiq

(*ATTENDEES IN UPPER CASE APPEARED VIA VIDEOCONFERENCE)

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P R O C E E D I N G S

MS. PRATTE: Thank you. So if we could just go through -- and I actually have the listing of the folks who have RSVPed and asked to testify. So we'll go through that listing first before we open it up to anybody who didn't register.

So first we have Maver Carey, from the Kuskokwim Corporation, who would like to testify. If you could, just come front and center; spell your first and last name; and then present what it is that you would like to testify.

And before we go on, we have LeAnn Delaney here, who is sitting to my left; and she's -- if you want to introduce yourself, go right ahead head.

MS. DELANEY: I'm the Deputy Director for Business Development at the Small Business Administration.

MS. PRATTE: Okay. Then to my right here is Lara Hudson.

MS. HUDSON: Good afternoon. Thank you, everyone. My name is Lara Hudson. I'm with the

1 Office of General Counsel, also, with SBA.

2 MS. PRATTE: I'm Clara Pratte, the
3 director for the Office of Native American Affairs.

4 So with that, Ms. Maver, would you like
5 to come up and present your testimony?

6 MALE UNIDENTIFIED SPEAKER: Maver is not
7 here.

8 MS. PRATTE: Oh, she is not there yet.
9 Okay. Okay. That's fine.

10 We will just move onto the next person,
11 Mr. Carl Potts.

12 Not there either.

13 Okay. Altona Rathbun from NTVI --

14 MS. RATHBUN: Good morning. Thank you
15 for allowing me to come to testify this morning.

16 MS. PRATTE: Thank you.

17 MS. RATHBUN: My name is Altona Rathbun.
18 I'm with the NTVI Federal, Inc. Altona --
19 A-L-T-O-N-A -- Rathbun -- R-A-T-H-B-U-N.

20 I'm the vice-chair of NTVI Federal, Inc.,
21 a subsidiary of Baan O Yeel Kon Corporation, the
22 Alaskan Native Corporation in the Village of Rampart,

1 Alaska, NTVI as a graduated 8(a) company, to activate
2 8(a) companies and to active non8(a) companies.

3 I appreciate the opportunity to speak
4 here this morning at this Tribal Video Consultation
5 Meeting on the proposed Business Development Program
6 8(a) -- excuse me -- 8(a) Business Development
7 Program.

8 Let me introduce myself. I'm Altona
9 Rathbun. I'm a Koyukon Athabaskan from Fairbanks,
10 Alaska. I was born and raised -- it's interior
11 Alaska. My father moved there before I was born from
12 Rampart, Alaska. It's a village on the Yukon River.
13 It's a small village. There are less than 200
14 people. As our shareholders at Baan O Yeel Kon are
15 less than 200 people, we're a small village
16 corporation that came from the ANCSA.

17 And when we got our money, we grabbed
18 onto it; we held onto it; and we stuck it in a
19 portfolio and were just hoping to -- we're very
20 conservative. And we're hoping just to hang onto it
21 and kind of ride out -- we weren't sure what to do;
22 and then 8(a) came along and gave us the opportunity

1 to use our money in a constructive way and build a
2 business, and we've been very successful.

3 I've worked for almost seven years on the
4 board that has the 8(a) company. It's grown from a
5 net worth of \$20,000 to distributing almost half a
6 million to the shareholders of Baan O Yeel Kon.

7 Baan O Yeel Kon has then taken the money and
8 distributed it to their shareholders. So it's
9 impacted a lot of the people in the village and also
10 from the village.

11 I'm representing NTVI Federal and as a
12 board member of the Baan O Yeel Kon holding company
13 of the five subsidiaries.

14 The Small Business Administration 8(a)
15 Business Development -- Small Disadvantaged Business
16 Development Program has enabled NTVI Federal, Inc.,
17 subsidiaries to be established and to become
18 companies of integrity and expertise in the federal
19 arena. We have fulfilled professional services and
20 construction needs of several government agencies
21 over the past several years largely due to the
22 existing 8(a) program, the support and the assistance

1 of the SBA business opportunity specialists, and our
2 company's management and staff. Many very positive
3 impacts have been -- have come from Baan O Yeel Kon's
4 short history as a -- federal contracting.

5 Before the 8(a) program, our small
6 village corporation was like most, a conservative
7 company with very minimal business activity, as I
8 stated earlier.

9 We had grown -- we had not grown our
10 original ANCSA monies. The cost of administering
11 the corporation was typically greater than any profit
12 we had realized, and our net worth was shrinking
13 virtually every year unless the financial markets had
14 a good year. We were dependent on our portfolio.

15 We have read and reread the potential
16 8(a) proposed rule changes published in October 28,
17 2009, and have a few comments that I will voice here
18 today.

19 I want to point out that we felt strongly
20 enough to spend the time and the expense to send Tina
21 Long, our Baan O Yeel Kon shareholder and General
22 Manager to our 8(a) subsidiaries, to travel and

1 testify in Albuquerque, New Mexico, earlier this
2 month. We wanted to join our voice with the other
3 smaller village corporations such as Afognak and
4 regional corporations, NANA and Bering Straits, to
5 give our testimony.

6 The negative proposed changes have the
7 greatest negative impact on the small village
8 corporations. There's a great deal of difference in
9 resources available to village and regional
10 corporations, and this leads me to my first comment.

11 Please take corporation size into
12 consideration. There is a lot of difference between
13 a small village corporation and a large one. Alaskan
14 Native villages are not the same size, and does it
15 not matter even in the small business world -- excuse
16 me -- size does matter even in the small business
17 world. It makes a difference in a firm's ability to
18 be -- to any proposed changes, regulatory changes.
19 There are village corporations, such as Baan O Yeel
20 Kon Corporation, and -- with its less than 200
21 shareholders -- and large regional corporations with
22 thousands of shareholders and a vast array of

1 variable resources. One size typically does not fit
2 and is -- what makes sense for an Alaska Native
3 Corporation with a net worth of several million
4 dollars is not the same as a village corporation with
5 a net worth of one million and vice versa.

6 Large corporations have a -- many more --
7 have many more resources to deal with the disruptions
8 in the normal course of business that come with
9 regulation changes than a small village corporation.

10 This should be integrated into allocating
11 changing the rules just for the larger corporations
12 -- not just for the larger corporations but take into
13 consideration the impact on the small villages and
14 companies.

15 Please, as a small village corporation,
16 we ask that you also give us plenty of lead time.
17 Small village corporations have very limited
18 financial resources and human capital in order to
19 bridge the gaps that potential changes will create.

20 For example, if NTVI Federal were to
21 prohibit -- were prohibited from taking any Native
22 contracts in the primary NAICS votes of the recently

1 graduated Northern Taiga Ventures, Inc., over the
2 first two years of the 8(a) operations, the damage to
3 my company and parent company shareholders would have
4 been devastating. We would experience less of a
5 business opportunity and resources, loss of
6 shareholder jobs and dividends, loss of local
7 employment opportunities, local subcontracting
8 opportunities, and local taxes, not to mention the
9 political fallout against corporate shareholders and
10 potential customers from such a severe shock to the
11 company. What is the benefit to a small business of
12 this proposed change?

13 If this proposed rule will be made final,
14 consider grandfathering existing 8(a)s and/or giving
15 a reasonable transition period after announcing the
16 final rules to which our board management can plan
17 for the changes.

18 Now I will comment directly on some of
19 the specific changes. Change 16 is change to add --
20 once an applicant is admitted to the 8(a) Business
21 Development Program, it may not receive an 8(a)
22 contract in the secondary NAICS code that is the

1 primary NAICS code, and another participant or former
2 participant and has left the program within two years
3 of the date of application owned by the tribe of the
4 period of two years from the date of admission to
5 this program. This is a change that will have the
6 largest impact on NTVI Federal, Inc.

7 8(a) subsidiaries and other small village
8 corporation's 8(a)s as well as our employees, many of
9 whom are shareholders, also give the greatest
10 potential for negative unintended consequences
11 including dysfunctional business practices which only
12 intent is to comply with that regulation.

13 The rationale provided in the Federal
14 Register for the change is having one business take
15 over work previously performed by another does not
16 advance the business development of two distinct
17 firms.

18 Consider what the success rate is with
19 the 8(a) graduated 8(a) firms. While we don't have
20 the available statistics, we imagine it's less than
21 20 percent.

22 How many graduated 8(a) firms are still

1 in business, and are they profitable businesses?

2 8(a)'s goal of advancing business
3 development would seem in the -- undermined by the
4 proposed change and the ability of additional firms
5 to obtain work under the NAICS code of their sibling
6 firm.

7 NTVI Enterprises and NTVI Federal, LLC,
8 are two current 8(a)s, for example, that have been
9 able to build on relationships established by their
10 graduated sister company Northern Taiga Ventures,
11 Inc.

12 Relationships established and the
13 delivery of successful completed projects in the
14 professional services and construction arena over the
15 six years NTVI Ventures, Inc., has an 8(a) -- placed
16 in the new 8(a)'s higher level of entry in meeting
17 the Federal Government's needs. This was resulted in
18 a much faster rate of business advancement than what
19 would be adhered without the ability to obtain work
20 under the primary NAICS code of the graduated 8(a).

21 A two-year delay would devastate the
22 company because agency contracting representatives

1 would be unable to give us work in areas where they
2 wanted and they knew we could successfully perform.

3 Further, the change would put the new
4 8(a)s into a standstill mode, in particular, ANCSA's
5 areas, and to cause us to try to obtain work in
6 completely new areas, which we do, but it's not
7 something that we do because we have to, our
8 company's survival.

9 We all know new businesses fail at a rate
10 of over 95 percent. My understanding of the great
11 set aside for the 8(a) ANCs is that Congress intended
12 to help economically disadvantaged groups such as
13 Baan O Yeel Kon and NTVI with a greater way of
14 changing the ability of the new 8(a) to obtain work
15 under a graduated, older company's primary NAICS's
16 code would hurt, not help those groups.

17 Small village corporations have limited
18 financial and human capital, as I mentioned earlier,
19 and that would need to be -- we would need help to
20 bridge the gap that the NAICS's code change would
21 create. This proposed change would have a
22 devastating impact on employees.

1 Some have suggested that instead of a
2 complete prohibition on receiving an 8(a) contract is
3 a secondary NAICS's code that is a primary NAICS's
4 code of another participant or other participant that
5 it has left the program within two years of the date
6 of application, owned by the tribe, that is a
7 percentage of a revenue 20 to 30 percent to be
8 allowed.

9 Although better than the complete
10 prohibition, it would create additional unintended
11 consequences and add another level of complexity to
12 managing the ANC's 8(a)s. Again, this hurts the
13 smaller village corporations that have resources much
14 more limited than the larger ANCs.

15 A fundamental management practices of the
16 focus company, just imagine the choice of culture --
17 excuse me -- the clashes of culture and resultant
18 unproductive drama that this proposed rule change
19 would create. More and more 8(a)s would be created
20 to slice and dice potential work.

21 The work would still come to the same
22 ANCs. It would just go to the subsidiary that would

1 stay below the 20 to 30 percent, not the one that is
2 focused on that type of work.

3 This change will not advance the business
4 development of two distinct firms as the Federal
5 Register notice says that it will.

6 We recommended that SBA simply implement
7 the proposed change to this regulation, which would
8 allow a firm to change its primary NAICS code thereby
9 eliminating the need for the proposed rule change
10 under the section 124.109(c)(3).

11 Change number 11 -- requiring a firm to
12 remain small for its primary NAICS's code during the
13 term of participation in the 8(a) program -- we
14 oppose this change.

15 The rationale stated in the Federal
16 Register is that SBA has re-examined this policy and
17 concluded that if a firm has grown to be other than
18 small in its primary NAICS's code, it could
19 reasonably be said that that firm has achieved its
20 goal and objectives.

21 This proposed change is effective -- in
22 effect, punishes the corporation that increases its

1 revenues.

2 The marketplace is dynamic. Our firm
3 should be encouraged to diversify their revenues into
4 new lines of business rather than graduate with
5 successes in only one area. If a firm is successful
6 at diversification, that reward is to be graduated
7 from the program.

8 If this change is implemented, it's
9 threatening application would be allowed as a prima
10 facie demonstration for a request to change what's
11 primary NAICS's code under the proposed change to
12 another.

13 SBA grants such a request only where the
14 participant can demonstrate that the majority of its
15 revenues during the two-year period have evolved from
16 one NAICS's code to another.

17 Going on to change 16 -- allowing a firm
18 written commitment from the tribe is sufficient to
19 establish potential for success -- we strongly
20 support this change.

21 We appreciate the SBA providing resources
22 out of a very limited budget to oversee and

1 administer the 8(a) program.

2 Understandably, therefore, that 8(a) --
3 the SBA doesn't want to waste resources on a firm
4 unlikely to survive. It is reasonable to set
5 standards to establish a positive likelihood of
6 survival and success for any firm admitted to the
7 program.

8 As I said earlier, one size seldom fits
9 all. ANCs are different. We're different. And if
10 an ANC commits firmly and in writing that they will
11 support, financially and otherwise, a firm entering
12 the SBA 8(a) program, that increases a likelihood of
13 survival and success to at least, if not beyond, the
14 current two years in business standards.

15 Change 37 -- extend exemption from
16 ceiling on regulated contracts to NHO firms -- we
17 strongly support this recommendation and look forward
18 to working with more NHO firms.

19 We also strongly suggest expanding the
20 opportunities for non-ANCs by exempting NHO firms
21 from the negotiated contract ceilings.

22 Change 32 -- increase negotiated

1 contracts ceilings to be consistent with the FAR at
2 5.5 million for manufacturing and 3.5 million for all
3 others -- we agree with the change.

4 Further, we strongly support additional
5 options to be -- specifically not include option
6 years. This would allow non-Tribe companies, 8(a)
7 companies to receive construction IDIQ or service
8 contracts that cover multiple years leading to more
9 stability and greater chances for success.

10 Thank you for including this tribal
11 consultation in the proposed SBA 8(a) Program Rules
12 Review Process. We greatly appreciate being able to
13 speak on behalf of our Small Village Corporation 8(a)
14 businesses and discuss the impacts of this proposed
15 change and our support to opposition.

16 We urge you to increase the ceilings for
17 negotiated contracts to be consistent with the FAR
18 with the proviso that a contract's value relative to
19 negotiated contract ceilings does not include option
20 years and allow 8(a) firms to change their primary
21 NAICS's code within the program; and we ask you to,
22 please, do not move the initial 8(a) application

1 reviews from the Anchorage SBA office and do not
2 require a firm to remain small for its primary
3 NAICS's code during the term of the participation in
4 the 8(a) program.

5 Finally, most importantly, we strongly
6 object to any restrictions on an 8(a) firm receiving
7 a contract in a secondary NAICS's code that is a
8 primary NAICS's code of another related 8(a) tribal
9 entity. This will lead to many negative unintended
10 consequences, including dysfunctional business
11 practices, and does not achieve the stated objectives
12 of making the change.

13 Thank you very much for the opportunity
14 to speak to you today.

15 The 8(a) program has provided wonderful
16 opportunities. It has grown our Small Village
17 Corporation into a viable, competitive, brought us
18 out of that little conservative place to a larger
19 place; and we appreciate the help that we have gotten
20 and the support.

21 We ask that you would hear our voice here
22 today in the changes and the recommendations that we

1 have. Thank you very much.

2 MS. PRATTE: Thank you, Altona. We
3 appreciate that, and we appreciate all of you taking
4 the time today to come and participate in this first
5 ever videoconference consultation discussion session
6 and, you know, are really thankful to Afognak for
7 hosting us.

8 At this time, I would like open it up to
9 both LeAnn and Lara, if you have questions or
10 clarifying points, or if you would like to ask a
11 question specifically as well.

12 MS. DELANEY: No.

13 MS. HUDSON: No.

14 MS. PRATTE: Okay. And also, I saw that
15 Karen walked in the room -- hi, Karen, how are you?
16 Good to see you -- Karen Forsland, who is with our
17 Alaska District Office.

18 Let me see.

19 Did Ms. Maver Carey arrive?

20 UNIDENTIFIED MALE VOICE: She is not
21 here.

22 MS. PRATTE: Is Sam also in the room, Sam

1 Dickey?

2 UNIDENTIFIED FEMALE VOICE: No. Sam is
3 not here.

4 MS. PRATTE: Okay. All right.

5 Then we also have Karl Potts.

6 Did Mr. Potts arrive? No.

7 Is there anyone else in the room in
8 Anchorage who would like to testify that is not on
9 the list?

10 MS. HOTCH: Janice Hotch.

11 MS. PRATTE: Oh, Janice. Hi. How are
12 you?

13 Yes. Go ahead and come forward, Janice,
14 and just spell your first and last name and your
15 affiliation with Sealaska, et cetera.

16 MS. HOTCH: Okay. My name is Janice
17 Hotch.

18 In Klukwan, they like to say, "When
19 you're hot, you're Hotch"; but it's H-O-T-C-H.

20 I'm here representing Sealaska
21 Corporation. I am the manager in the Office of
22 Diversity Solution at Sealaska Corporation. We're a

1 regional corporation in Southeast Alaska. One of my
2 jobs is to -- I'm sort of the in-house person who is
3 supposed to be, you know, up on all the regulations,
4 Title 13, FAR Chapter 19, and the SOP manual.

5 Chris McNeil, our president and CEO, he
6 has already provided all testimony; and Sealaska does
7 plan to provide a thorough detailed written statement
8 by tomorrow's deadline.

9 But there are a couple points that I was
10 asked to emphasize today. So that's sort of my
11 purpose for being here.

12 The first point is, in order for this
13 program to be successful, it really does need
14 adequate funding. And so we're just really hoping
15 that the program is going to be strengthened to help
16 alleviate, you know, the staffing issues that have
17 occurred; and not only -- I don't want to be all
18 negative towards the SBA program, but it does -- it
19 is clear that a lot of the offices are not adequately
20 staffed. So, hopefully, something can be done about
21 that.

22 My second point is there are -- from one

1 office to another office to another SBA office, there
2 is an inconsistency in implementation of the rules.

3 And I could give you examples, but I
4 don't want to take up every everybody's time. But it
5 is really, really frustrating. You know, you get
6 direction from the Alaska office, because you have an
7 8(a) firm that reports to Alaska. And you think the
8 direction that you get from Alaska is going to apply
9 to the State of Washington, and sometimes it does and
10 sometimes it doesn't. But then when you have to deal
11 with the Colorado SBA office or the Texas SBA office,
12 it's a whole completely different bailiwick. And the
13 same rules that you find in the SOP are not applied
14 consistently from one office to another. It's just
15 as frustrating as could possibly be.

16 So, hopefully, you know, maybe with --
17 again, it goes back to adequate funding,
18 strengthening the program, and really bringing on
19 experienced staff within the SBA, I think, is
20 critically important to the success of the program.

21 Then that segues into another comment I
22 would like to make, and I know there is -- one of the

1 proposed -- SBA-proposed proposals is to require ANCs
2 to provide a reporting requirement to somehow track,
3 you know, the dollar -- federal dollars received and
4 how it benefits all the tribal member shareholders.

5 If you have offices that are implementing
6 -- you know, that are not consistent in implementation
7 of the rules, I see, you know, requiring us to -- I
8 just see it as a nightmare because even now, you
9 know, the offices aren't consistent. So if you add
10 another burden of reporting requirements for just the
11 ANCs and how, you know, our -- how we benefit all of
12 our shareholders, it's just going to be a nightmare.
13 It will be a nightmare for me.

14 I guess my last comment I want to say is
15 politics is nothing more sinister than responding to
16 public demand. And I know there is force in numbers,
17 and I think that there probably would have been maybe
18 a better turnout this particular meeting had it been
19 a little bit better advertised. I just thought I
20 would make that comment.

21 I know you all are doing what you can,
22 and I really am very appreciative. I'm very thankful

1 for the opportunity to present to you.

2 That's all I have.

3 MS. PRATTE: Okay. Thank you, Janice.

4 Just in terms of the tracing back
5 benefits to shareholders, I don't know if Mr. McNeil
6 is going to address that particularly in his
7 testimony in his written statements; but we are
8 looking for thoughts and ideas on that, for your
9 feedback on what is the, you know, most appropriate
10 method for doing so understanding that there is no
11 one size fits all. And we're very interested in
12 hearing what works and what doesn't work.

13 MS. HOTCH: Okay. Well, I'll make one
14 last comment then.

15 I know the Native American Contractors
16 Association made a pretty good recommendation in
17 setting up a task force of sorts and that that would
18 be something addressed, but -- yes -- we do want to
19 address it in our comments as well.

20 MS. PRATTE: Okay. Great. Thank you,
21 Janice. We appreciate your feedback.

22 Particularly with the meeting being

1 better advertised, it was a sort of not last minute
2 but a technical issue that we had to deal with. But,
3 you know, in the future, we will be putting things
4 more open in the Federal Register. Just due to time
5 constraints, we kind of pulled this together prior to
6 the comment period ending.

7 MS. HOTCH: And I really appreciate it,
8 though. I do.

9 MS. PRATTE: No. I'm glad you were able
10 to make it. Definitely.

11 MS. HOTCH: Thanks.

12 MS. PRATTE: Thank you.

13 Let me see.

14 We will try one last time for Ms. Carey.
15 Maver Carey? No.

16 Okay. Let me see.

17 Mr. Carl Potts? No.

18 Okay. Now I will open it up here to
19 folks in this room that would like to provide
20 testimony.

21 Harri, did you want to provide any
22 comments?

1 MS. KRAMER: No.

2 MS. PRATTE: Okay. Crystal -- is Crystal
3 Pierce here? No?

4 MS. PIERCE: Yes.

5 MS. PRATTE: Oh, there you are.

6 MS. PIERCE: No.

7 MS. PRATTE: Okay. Let's see.

8 And Christina Woolston -- W-O-O-L-S-T-O-N
9 -- she's not here?

10 UNIDENTIFIED FEMALE VOICE: No. She
11 couldn't make it.

12 MR. PRATTE: And then Bob Tompkins is not
13 here.

14 Oh, he has lost his T-shirt.

15 And Jon, did you want to make any
16 statements?

17 MR. DeVORE: No, ma'am.

18 MS. PRATTE: Anybody else in the room
19 want to make any statements?

20 Well, we still have quite a bit of time
21 left. So at this point, we would open it up to
22 questions both in the room and there in Alaska.

1 Clarification questions, additional
2 comments, anybody else there that would like to
3 provide a statement for the record at all?

4 MR. AHSOAK: Yes.

5 MS. PRATTE: Okay. Just spell your first
6 and last name and the organization affiliation for
7 us, please.

8 MR. AHSOAK: My name is Joshua Ahsoak --
9 A-H-S-O-A-K. I'm the corporate counsel with Arctic
10 Slope Regional Corporation.

11 MS. PRATTE: Could you repeat that?
12 Arctic -- could you repeat it again?

13 MR. AHSOAK: Arctic Slope Regional
14 Corporation.

15 MS. PRATTE: ASRC -- Arctic Slope --
16 okay.

17 MR. AHSOAK: Yes. Arctic Slope.

18 ASRC is owned by approximately 11,000
19 shareholders of Inupiat descent. It's one of the
20 largest of the 13 Alaska Regional Corporations formed
21 under the Alaskan Native Corporation Settlement Act.

22 ASRC has been an active and successful

1 participate in the program since its inception. We
2 have created thriving businesses that serve our
3 communities on the North Slope of Alaska, and we are
4 committed to ensuring that the benefits of the 8(a)
5 program are received by its intended beneficiaries;
6 in our case, our 11,000 Inupiat shareholders.

7 Our written comments contain greater
8 detail and will be timely submitted by tomorrow,
9 January 28, 2010.

10 For the purpose of this consultation, I
11 will briefly highlight the two areas which we're
12 concerned about; that the application of the proposed
13 regulations to ANCs may unintentionally impede our
14 ability to serve our intended beneficiaries, who are
15 also the 8(a) program's intended beneficiaries,
16 without any material benefit to the 8(a) program.

17 The first of these is that the proposed
18 NAICS code restrictions are complex and could
19 undermine the purpose of the program. ASRC is
20 concerned that the proposed NAICS code restrictions
21 would impair 8(a)'s entities' abilities to develop
22 fully consistent with the mission of the program and

1 would impose unworkable administrative requirements
2 particularly on the smaller 8(a) program entities.

3 Our second major concern is the excessive
4 withdrawal rule and the fact that it should not apply
5 to Alaska Native Corporations that are committed to
6 financially supporting their 8(a) entities.

7 ASRC shares the SBA's goal of protecting
8 against excessive withdrawals of capital that could
9 jeopardize an 8(a) firm's financial liability.

10 ASRC appreciates the concern underlying
11 the proposed excessive withdrawal rule and believes
12 that the proposed rule works well for individually
13 owned 8(a) businesses; however, 8(a) entities that
14 are subsidiaries of an Alaska Native Corporation are
15 differently situated and do not share the same risk
16 for such withdrawals. Accordingly, they should not
17 be subjected to the proposed rule.

18 Thank you for the opportunity to
19 participate in this consultation.

20 MS. PRATTE: Thank you, Joshua.

21 All right. Anybody else there in Alaska
22 that would like to make statements for the record or

1 ask questions of myself, LeAnn, or Lara?

2 Okay. Bob Tompkins just entered the
3 room. Would you like to -- I already gave away your
4 T-shirt.

5 MR. TOMPKINS: That's all right. I hope
6 you gave it to Jessica, so --

7 MS. PRATTE: Is there anything that you
8 would like to state at all or --

9 MR. TOMPKINS: No.

10 MS. PRATTE: No. Okay.

11 MR. TOMPKINS: Thank you, again, for
12 making the extra effort to accommodate more comments.

13 MS. PRATTE: Absolutely. The comment
14 period does close tomorrow.

15 So, please, encourage everyone that you
16 have contact with -- and I know the smaller village
17 corporations do not have capacity oftentimes to get
18 to Anchorage or the other locations that we had the
19 hearing. So, please, encourage them to submit their
20 written comments by tomorrow's deadline. We look
21 forward to reviewing all of those.

22 And is there anything else that we would

1 like to say or state, LeAnn?

2 MS. DELANEY: No.

3 MS. PRATTE: Lara?

4 MR. LARA: Well, just in regards to the
5 comments, of course, we want those comments that you
6 have that you have concerns about; but, also, we
7 stress that we want to hear -- and we heard that
8 today -- those proposed changes that you like that
9 will have good impact on your organizations. We want
10 to hear about those as well.

11 MS. PRATTE: Absolutely. I will make the
12 same comment that I made in Albuquerque and Seattle
13 as well, that if you have -- and this is something
14 that came up in testimony.

15 Section 811 of the Defense Authorization
16 Bill, if you have questions or concerns or thoughts
17 and ideas, please send those to me via e-mail at
18 CLARA.PRATTE@SBA.GOV -- and somewhere in the subject
19 line just reference 811, your thoughts and ideas and
20 concerns -- because Joe Jordan, who is the AA for
21 GC/BD, and myself will be reviewing those at a later
22 point after we get through this 8(a) process.

1 MS. HOTCH: I have a question, Clara.

2 MS. HUDSON: Yes.

3 MS. HOTCH: Can we fax in our comments to

4 you or --

5 MS. PRATTE: You can fax them.

6 MS. HOTCH: -- or to Joe Loddo or --

7 MS. PRATTE: Yes. And there is a fax

8 number in the Federal Register.

9 MS. HOTCH: Oh, there is?

10 MS. PRATTE: Yes. LeAnn Delaney has it

11 right here. So I'll let her tell you what the fax

12 number is.

13 And the Federal Register was Federal

14 Register Number 55694, Volume 74, Number 207; and it

15 was published October 28th of '09.

16 We'll have the fax number for you in just

17 a moment.

18 I think Joe Loddo recommended that if you

19 have insomnia or problems sleeping to just pull out

20 that Federal Register notice.

21 While LeAnn is looking that up, are you

22 sure we don't have any questions just while we are

1 all in the same space here?

2 MS. PFEFFER: Yes.

3 MS. PRATTE: Please.

4 MS. PFEFFER: I would like to just make
5 one comment.

6 MS. PRATTE: Can you say your first and
7 last name?

8 MS. PFEFFER: Absolutely. My name is
9 Desiree Pfeffer. The last name is P-F-E-F-F-E-R. I
10 work with Sea Lion Corporation. I manage their 8(a)
11 and non-8(a) contracting subsidiaries.

12 MS. PRATTE: Okay.

13 MS. PFEFFER: I would like to just make a
14 comment. We have sent in our written comments
15 regarding the proposed changes. This is kind of an
16 aside.

17 I believe all of us in the room, over the
18 last couple of years, have been significantly
19 impacted by the press and the investigations and the
20 hearings and the response at the Federal contracting
21 level as well as the budget and staffing issues and
22 the confusion that happens between the different way

1 offices -- all of that while trying to build a small
2 or getting started building small businesses within
3 the program -- places a great burden.

4 Sea Lion Corporation over the past year
5 has been trying to develop its 8(a) program, and I
6 ran into those road blocks time and time again.

7 And I believe that it would be helpful if
8 at the conclusion of this that there was -- I'll call
9 it "press" but a voice of support from the SBA to say
10 we believe in the Small Business Program and the
11 Native ANC tribal HNOs, that they have participated
12 with us and that they came to the table and opened
13 dialogue with us and that -- show them a voice of
14 support in working with the SBA to come to the
15 conclusions so that we get a little bit of a positive
16 pat on the back that we haven't had in the last few
17 years. I would just ask for that effort to be made.

18 MS. PRATTE: Okay. Thank you so much,
19 Mrs. Pfeffer.

20 Just to be clear -- and I misspoke
21 earlier -- there is not a fax number in the Federal
22 Register.

1 It says to submit comments, you can do it
2 through regulations.gov, or there is an address for
3 paper disc or CD-ROM; and hand delivery, there is the
4 address.

5 And we do have a fax number here that is
6 not in the Federal Register that you can submit it
7 to, and it's 202-481-4042.

8 So just make sure that you get those in
9 by the deadline tomorrow.

10 MS. LUKIN: Do they need to be in your
11 office by 5:00 p.m.?

12 MS. PRATTE: Is it 5:00 p.m. tomorrow?

13 MS. KRAMER: Actually, at regulations.gov,
14 it said, 11:59 p.m.

15 MS. PRATTE: Yes. It's time stamped.

16 MS. DELANEY: It says, "close of
17 business," so it's not real clear. So 11:59 p.m.
18 makes sense.

19 MS. PRATTE: So 11:59 p.m., if we have
20 them --

21 MS. LUKIN: Well, on behalf of the Native
22 American Contractors Association, I'd like to give

1 you our written comments now --

2 MS. PRATTE: Absolutely.

3 MS. LUKIN: -- because I did send them
4 via FedEx today, and now I'm concerned they won't get
5 there in time. So here's two copies for you guys for
6 your bedtime reading.

7 MS. HUDSON: For purposes of mailed in,
8 it's by postmark. So if you don't get them -- if you
9 put them in the mail by the deadline tomorrow, then
10 we'll still accept them because it goes by the
11 postmark. Okay.

12 MS. LUKIN: Well, we're an overachiever,
13 so we're giving them to you today.

14 MS. PRATTE: That's Sarah for you.

15 All right. Well, thank you all so much.

16 Karen, do you have anything to add on
17 your end as our SBA rep there?

18 MS. FORSLAND: No. But I think there is
19 sometimes a misunderstanding or a misconception that
20 the district offices do provide assistance in all
21 phases of the application questions regardless of the
22 entity that's applying to seek assistance at their

1 district office for questions regarding the
2 application process, and I think sometimes it's a
3 misunderstanding with regard to that service and what
4 the district office does here in Anchorage.

5 I think I have heard -- someone said
6 that, you know, any questions all had to be
7 referred -- regarding the application process -- to
8 San Francisco. That's not correct.

9 MS. PRATTE: Correct.

10 Thank you for the clarification.

11 Okay. Well, with that, I think we are
12 set. Again, thank you to the participants in
13 Anchorage that were able to come through.

14 If you do see Ms. Carey and Mr. Potts,
15 please remind them that the deadline is tomorrow.

16 Thank you to Afognak/Alutiiq for having
17 us and hosting this today.

18 MS. GRAHAM: It was our pleasure.

19 MS. PRATTE: Thank you.

20 (At 1:53 p.m., the tribal consultation
21 videoconference was adjourned.)
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CERTIFICATE OF REPORTER

I, Kirk A. Sturges, do hereby certify
that the proceedings contained in the foregoing
transcript were reported by me by machine shorthand
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said transcript is a true record of the proceedings;
that I am neither counsel for, related to, nor
employed by any of the parties to the action in which
these proceedings were reported; and further, that I
am not a relative or employee of any attorney or
counsel employed by the parties hereto, nor
financially or otherwise interested in the outcome of
the action.

Kirk A. Sturges, Court Reporter ----

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